



# **REMUNERATION COMMITTEE BYLAWS**

## **SUPERVISORY BOARD OF ENERGOMONTAŻ-POŁUDNIE S.A.**

**Katowice, September 2010**

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ENERGOMONTAŻ-POŁUDNIE S.A.**

**General Provisions**

§1

The Remuneration Committee of the Supervisory Board of Energomontaż - Południe S.A. (hereinafter the Committee) is an ancillary body acting within the Supervisory Board which delegates its members to the mutual (joint) carrying out of certain defined supervisory activities under the Committee.

The Committee acts in accordance with the Supervisory Board Bylaws, the Company's Statute, the Commercial Companies Code, generally applicable legal provisions as well as principles defined in the document "Code of Best Practices for WSE Listed Companies" (Attachment to Resolution No. 17/1249/2010 of the Warsaw Stock Exchange Supervisory Board dated 19th May 2010).

**Composition of Committee**

§2

1. The Committee consists of at least two members appointed by the Supervisory Board from among the members of the Supervisory Board for its term of office.
2. The Committee, from among its members, elects a Chairman who directs the work of the Committee. The mandate of a Committee member expires on the expiration date of such person's mandate on the Company's Supervisory Board.
3. At least one member of the Committee shall have experience and knowledge regarding remuneration policies.

§3

1. The Committee Chairman to date, in case of a change in Chairman, shall present complete documentation relating to matters being handled by the Committee to the new Chairman and, if such is not possible, to the Chairman of the Supervisory Board. The Committee Chairman to date, in case operations of the Committee are ceased, shall present all documentation to the Chairman of the Supervisory Board.

**Detailed principles and methods of Committee actions**

§4

1. Committee meetings take place at times determined by the Committee Chairman.
2. Committee meetings shall take place at least twice a year. Additional meetings of the Committee may be called by the Chairman at his/her initiative or at the initiative of another Committee member or Supervisory Board member as well as at the request of the Management Board, the Company's independent auditor or its internal auditor. A meeting of the Committee in certain cases may be called by the Chairman or the Deputy Chairman of the Supervisory Board.
3. Meetings of the Committee are called in a manner and pursuant to deadlines applicable for the calling of Supervisory Board meetings but with the provision that notifications

regarding the calling of a Committee meeting may also be sent by electronic mail and, in urgent matters, may be called no later than one (1) day prior to the meeting date. The person calling a meeting shall also inform the remaining members of the Supervisory Board of the time, place and planned agenda of the Committee meeting.

4. The agenda for the Committee meeting is determined by the person calling the meeting. Such a person may request that the Company's Management Board prepare appropriate materials for the meeting. Materials should be presented to Committee members at least seven (7) days in advance.

#### §5

1. The Committee Chairman may invite members of the Supervisory or Management Board to participate in a Committee meeting as well as Company employees, independent auditors, internal auditors and other persons, in particular persons possessing the necessary experience to examine issues being the subject of Committee work.
2. The competencies of the Committee Chairman, if such is absent or cannot fulfil his/her function, are carried out temporarily by another Committee member elected from among those present.
3. The Company secures the organisational-technical needs of the Committee.

#### **Tasks and duties of the Committee before the Supervisory Board**

#### §6

1. The task of the Committee is to support the Supervisory Board in the performance of its statutory duties relating to determining principles of remuneration and level of remuneration of Management Board members as well as to carry out periodical reviews of remuneration policies relating to Management Board members.
2. The tasks of the Committee include the scope laid out in the document entitled "Code of Best Practices for WSE Listed Companies". In particular, the tasks of the Committee include:
  - a) presenting comments and proposals to the Supervisory Board relating to general principles associated with remuneration of Management Board members, in particular analysing the level of remuneration of Management Board members in respect to their qualifications and competencies as well as the tasks and duties that they have been entrusted with and, furthermore, informing the Supervisory Board of significant changes to this effect as well as present recommendations relating to a system of appraisal of the work of Management Board members,
  - b) present comments and proposals to the Supervisory Board relating to appropriate forms and content of contracts with Management Board members,
  - c) assisting the Supervisory Board in looking over the process pursuant to which the Company complies with provisions in force relating to information obligations regarding remuneration (in particular principles of remuneration and remuneration granted to Management Board members being applied) including in particular verification of the scope and content of information relating to the remuneration of Management Board members that is made public,
  - d) issuing general recommendations to Management Board members regarding the level and structure of remuneration of company officers (top-level management),

- e) monitoring the level and structure of remuneration of company officers on the basis of information presented by members of the Management Board,
  - f) discussing general principles relating to the performance of share-based motivation systems (in particular, stock option plans) that may be granted to Management Board members, managers and other employees and the presentation of such proposals to the Supervisory Board,
  - g) carrying out, depending on the situation, reviews of information relating to share-based motivation systems found in the Energomontaż-Południe S.A. annual report as well as presented to Shareholders at the Shareholders' Meeting.
3. Recommendations issued by the Committee shall:
- a. be based in particular on analysis and reports prepared by independent entities or institutions as well as other available materials,
  - b. take into consideration information regarding significant changes in market conditions relating to the remuneration of Management Board members and management staff in companies having a profile of activities similar to the Company's,
  - c. define all forms of remuneration, in particular fixed salary, results-based remuneration, retirement system and severance pay,
  - d. comply with principles of remuneration accepted by the Company as well as the appraisal of the work of individual Management Board members and management staff.

#### §7

1. The Committee presents adopted findings, positions and recommendations worked out in conjunction with its activities to the Supervisory Board within a time frame allowing the Supervisory Board to immediately undertake appropriate actions.
2. The Committee presents a written report signed by all of the members of the Committee, subject to par. 3, regarding the Committee's activities in the given financial year to the Supervisory Board within a time frame that will allow the Supervisory Board to take into account the text of such report in the preparation of its report regarding the activities of the Supervisory Board as well as the annual appraisal of the Company's condition.
3. Each member of the Committee may submit a separate report regarding actions undertaken mutually.

#### **Committee rights**

#### §8

1. The Committee is authorised to:
  - a) examine all Company activities that are of material importance to the Committee's tasks,
  - b) request that the Company's Management Board and employees present all information, reports and explanations necessary for the carrying out of the Committee's actions, review ledgers and documents as well as examine the status of the Company's assets.
2. If necessary, the Committee may submit a request to the Supervisory Board to request that the Management Board contract experts to prepare reports or opinions for the Committee

in order to allow the Committee to carry out its assignments properly. The Committee in such a request can only propose experts that are not members of the Committee.

### **Final provisions**

#### **§ 9**

The appropriate provisions of the Energomontaż-Południe S.A. Statute and Supervisory Board Bylaws shall apply to all issues not regulated by these Bylaws.